

DIVISION: FORMS 1 - 1V
AGE GROUP: 12 plus
SERIES: "CURRENT AFFAIRS"
PROGRAMME: (2) "What is a Budget"

NARR: Hello boys and girls,

I'm/sure ^{quite} ~~that~~ many of you must have heard grown-ups talking about the Budget. And you must have heard some of them asking, "Are we going to have a new tax on this?" And others saying, "Will we have to pay more money for that?" And perhaps you wondered what ~~this thing~~ called a Budget is, and why it makes people so worried and so talkative.

Well, let me try ~~to tell~~ you as simply as I can, what a budget is. It's a plan you draw up to make sure that you do not spend more money than you have. And this, I'm sure you'll agree is a very sensible thing to do.

Now, let's see how you can plan a budget of ~~your~~ own, to make sure that you don't spend more money than you have. Suppose you want to buy something. - Let's say a birthday present for your sister. Well, the first thing you should ~~do is to~~ count your money. Then, the next thing you ought to do is to ask yourself "Can I afford it? And if you have fifty cents, then you know that you can't spend ^{all of it} ~~more than half of that~~ on your sister's present. For if you spend all your money on your sister's present, then you won't have any left for yourself. And what would you do until pocket money time comes around again? What are you going to buy your sweets or your marbles or your crayons with? You'll just have to do without all those things you usually buy, because you've spend all your money on your sister

/ sister's present and.....

sister's present and you have no money to buy what you need. And not being able to buy what you need, could be very uncomfortable for you. So you see, it's important to plan your spending. If you want your money to last you for a certain time, and if you want to get the most out of it, then you should make sure you spend it wisely. And that you don't spend more money than you actually have. To use the correct words, you should see that your expenditure - that is, the money you spend - is less than your income - that is, the money you receive.

Now children, perhaps you've noticed how careful your mummy is with her expenditure and her income. Perhaps you've noticed how carefully she plans her budget, to make sure she doesn't spend more money than she gets. For, you know, there are a great many things she has to do with the money. She has to buy food with it, and clothing, and things for cleaning and washing and so on. And before she buys anything, she has to think about it carefully. She has to decide whether the article she wants to buy, costs too much. And if it does, and she cannot do without it, then she must find a way to balance her budget. She may have to buy meat that costs less, or do without a dress for herself, so she can get that pair of shoes for Johnny or that hat for Jean. Many Mummies you know, sit down and write out a plan. And this plan is their budget. And they follow this budget plan to make sure they don't spend more money than they should, and that what money they do have, they spend carefully and wisely.

OPR:

MUSIC BREAK

NARR:

Well, boys and girls, you may think it sounds strange, but running a country is a little like a house. You know, of course, that there's a group of people who're chosen to run our country.

/And you know too, that.....

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And you know too, that this group of people is called the Government. Now, there's one person in the Government who has to see that the country's income is enough to cover the country's expenditure. In other words this person who is known as the Finance Minister, he has to see that the country does not spend more money than it can afford. And the Finance Minister has to be very careful with the country's money too, because this money, which is "Public Money", has been entrusted to him by all the people who live in the country.

Now round about this time every year there is usually quite a lot of discussion going on about the Budget; And the reason is that the Minister of Finance whose job it is to make up this account of income and expenses, usually tells it to the members of the Legislative Assembly in the early part of the year.

Now let's have a look and see how the Minister of Finance goes about preparing his budget. As you would expect boys and girls, it's not a very easy job. The first big problem that faces him is the same one that faces your parents - that is to make the budget balance. In wealthy and prosperous countries this is not difficult - but in an undeveloped country like our own this can be quite a problem. If the budget does not balance - if as they say there is a deficit - then the Government may have to borrow money to pay its debts - But a budget isn't merely to make sure that the Government doesn't have more expenses than income. When the Finance Minister begins thinking about a budget, what he really has in mind is the development of the country.

Now this is really the interesting thing, boys and girls. A budget can be a powerful instrument for making a country more prosperous. For instance, let's say the Minister of Finance thinks that far more schools are needed, more hospitals

/ are needed, and..... ..

are needed, and more roads up and down the country should be built. All right - he then sets aside a big part of the money that the Government will spend in that particular year for these things. Then he has to decide ^{how} ~~when~~ the Government will raise funds to pay for the building of more schools, more hospitals more roads. He ~~may~~^y, after thinking about it, come to a conclusion that many people with high incomes ought to pay heavier taxes on their income - you know what this is called - don't you? Yes Income Tax. So when he announces the Budget in the Legislative Assembly he will say that the ~~Income~~ Tax for income ^{over} a certain amount has been raised by so much. And the people who have that sort of income will know that they must now pay higher taxes for the whole year. Or he may do it ~~another~~ way. He may say 'I think the income Tax is high enough so I won't increase it. But I'll levy a tax on something which fairly prosperous people buy often. That won't stop them buying it". So he levies his tax on the article. The price goes up. But more profit doesn't go to the makers of the article - the money goes to the Government. for the building of schools, roads and so on. Now this is a difficult one isn't it - and it takes a lot of thinking. For if the Minister taxes the article too heavy then even wealthy people may stop buying it. ^{OR} They will buy it on such small quantities that not much money goes back to the Government. So he has got to be careful to make the tax high enough to bring in ^{the} more money the Government needs - but not too high to stop ~~people~~ from buying the article.

OPR:

MUSIC BREAK

NARR:

There's an even more interesting way in which a budget can develop a country. You remember that slogan " we talked about the "Buy Guyanese". That Campaign was to encourage people in Guyana to buy more things made locally. ^{can} ~~Were~~ the budget can do this too you know. The Finance Minister may say to himself, we can

make very good sweets here. But their quality will take some-time to reach that of the imported ones; but if people go on buying foreign sweets then our local ones will not have a chance to improve. So in his budget he may announce that the Government will ~~make-them~~ levy a tax on imported sweets. This will make them more expensive than the local ones. And then most people who want sweets will turn to buying the local ones.

Now if this is done to a number of imported things in a Budget - it means that the Government is trying to encourage local industries to grow up. 3

So you see boys and girls why the yearly Budgets/are so important for everybody. They affect you as much as your fathers and mothers. You may go into a store to get something you are in habit of buying and find it's a penny or so dearer. And it may be because of the budget, on the other hand you may have a change to go to a Secondary School on a scholarship and it may be because of the Budget. That is why there's so much discussion in the Assembly and outside each year about the Budget-Ag- Government's Budget.

OPR:

PLAY THEME: